

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Annual Compliance Report, 2020

Docket No. ACR2020

CHAIRMAN'S INFORMATION REQUEST NO. 18

(Issued February 18, 2021)

To clarify the basis of the Postal Service's FY 2020 *Annual Compliance Report* (ACR), filed December 29, 2020,<sup>1</sup> the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than February 23, 2021.

**Flat-Shaped Mail**

1. CHIR No. 5, question 17 reads in part "[d]oes the Postal Service plan on processing more bundles on Enhanced Package Processing Sorter (EPPS) machines given their lower rate of bundle breakage?"<sup>2</sup> The Postal Service responded that it "has one EPPS machine at each of two sites, for a total of two EPPS machines. The Postal Service has no plans to procure any additional machines, and in this context, it is difficult to discuss tradeoff opportunities based on this single factor."<sup>3</sup> Please refer to Library Reference USPS-FY20-45, December 29, 2020, folder "Paragraph (f) – Operational Changes Report," file "FY 20 Paragraph (f) report.pdf," at 7, which states "[i]t has been determined that

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<sup>1</sup> United States Postal Service *Annual Compliance Report*, December 29, 2020 (FY 2020 ACR).

<sup>2</sup> Chairman's Information Request No. 5 and Notice of Filing Under Seal, January 26, 2021 (CHIR No. 5).

<sup>3</sup> Responses of the United States Postal Service to Questions 1-30 of Chairman's Information Request No. 5, February 2, 2021, question 17.

[the EPPS] machine is best suited to handle the increasing parcel volumes and not be used for flats bundle processing.”

- a. Please explain in detail what, if any, analysis the Postal Service has performed to understand why the bundle breakage rate on the EPPS machine is lower than other automated bundle processing methods.
  - b. Please explain why the Postal Service has determined that bundles should not be processed on the EPPS machine, given their lower rate of bundle breakage.
  - c. Please provide the analysis used to develop the determination that the EPPS machines should be used solely for parcel processing.
  - d. Please explain whether the management decisions not to procure additional machines and not process any bundles on the EPPS machines is due to capital constraints.
2. Given the coordinated effort between the Mailers and the Postal Service in reducing bundle breakage incidences, has the Postal Service ever established a mailer-specific bundle breakage threshold within an acceptable limit? Please explain efforts related to developing a mailer-specific threshold.

By the Chairman.

Michael Kubayanda